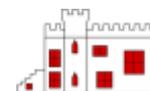


School Policy

School Budget Management Policy

October 2016 - Issue 6

Document Number: AP-26



Document Approval

This document was reviewed and approved by the Governing Body as appropriate and effective.

Signed: _____

If this is one of the 2 official copies the Approver shall write "Copy 1" or "Copy 2" and initial here:

Date: _____

Name: _____

Position: _____

Document Review

The Governing Body will review this policy to ensure that it is appropriate and effective whenever necessary, and not less than once every four years.

Document Control

There is controlled paper copies of this document in the Policies File in the Junior Building. An electronic version is also available on our website in the policies area.

All other copies (electronic and paper) are uncontrolled.

Document History

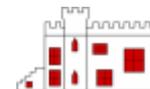
Filename: AP-26 School Budget Management Policy(1.0).doc				
Issue	Description of Change	Author	Checked	Date
A	Initial	JRE/DH		20-1-08
1.0	Approved by Resources Committee on the 21st Jan 2008	JRE/DH	SB	21-1-08
1.1	Approved by Resources Committee on the 11 th October 2011		JB and DS	11.10.11
2	Approved at Resources Committee on 16.10.12	JB	Resources	16.10.12
3	Updated by J Briggs	JB	Resources	22.10.13
4	Updated by J Briggs	JB	Resources	21.10.14
5	Updated by J Briggs	JB	Resources	20.10.15
6	Updated by J Briggs	JB	Policies committee	Oct 2016

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1 Purpose

1.1 It is the aim of the Governing Body of North and South Cowton Community Primary School to ensure that all resources made available to the school are used in an efficient and effective manner. This will be achieved by applying the principles of **Best Value** and operating in such a way that ensures the school meets the requirements of the DCSF's Financial Management Standard for Schools. Financial decisions will be made after consideration of:

- i. priorities as identified in the costed school development plan;
- ii. the needs of the pupils and staff of the school;
- iii. the need to support and deliver the National Curriculum with any modifications agreed by the Governing Body;
- iv. the resources made available to the school; and
- v. conditions and requirements laid down in the Local Authority's approved LMS Scheme and associated LMS procedure rules.

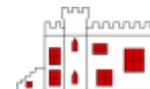
2 Organisation of Responsibility and Accountability

2.1 Roles and Responsibilities

- i. The **Governing Body** has a statutory responsibility for the oversight of the financial management of the school and for ensuring adherence to the Local Authority's Standing Orders and Financial Regulations.
- ii. The **Resources Committee** is governed by the published terms of reference, which are approved by the full Governing Body. The committee will consider termly monitoring statements as a minimum (in most cases monthly reports may be considered to be more appropriate) and will consider the school's budget and long term financial forecast at the appropriate times. The committee will submit a brief summary report to the full Governing Body at least once per term.
- iii. The **Headteacher** will assume day to day responsibility for the budget and will under a scheme of delegation approved by the Governing body (see Appendix A), have the delegated authority to determine spending within approved budget headings up to a maximum of £1000 per individual transaction. The Headteacher will be assisted by the **School Secretary** in the proper processing of orders and invoices generated by the school and the checking of goods received. All individuals who are involved in the spending, collection and custody of school resources must observe satisfactory probity and regularity as reflected in the Local Authority's Financial Regulations and Standing Orders for schools with delegated budgets.
- iv. The Governing Body has elected to employ the services of a Financial Management Services (FMS) Team Support Officer (the **Bursar**) who will prepare the school's annual budget and longer term spending plans, maintain computerised records of income and expenditure in line with the DCSF recommendations for Consistent Financial Reporting, check and reconcile the schools financial records to monthly tabulations provided by the LA (Local Authority) and to monthly bank statements, carry out monitoring procedures and produce regular monitoring statements for the Headteacher and Governing Body (Resources Committee).

2.2 Procedures

2.3 All documentation of accounts and finances will be kept in accordance with advice from the LA. Procedures for keeping accounts will be in accordance with the LA's LMS Financial Procedure Rules. A copy of the schools most recent auditor's report will be available for inspection by Governors, OFSTED Inspectors and Officers of the LA.



2.4 Pecuniary interests

2.5 Governors and staff of the school will be required to complete a Register of their Business Interests and declare any links they have with any firm from which the school may wish to buy goods or services.

3 Budgets

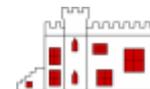
3.1 Aims and Objective

3.2 The Resources Committee together with the Headteacher will consider the agreed School Development Plan, which shall cover a period of up to 3 years, and will provide costings both for maintaining the required level of existing educational provision and also for proposals to develop the school's short, medium and long term aims and objectives as identified in the Plan. Such consideration will include the determination of an appropriate level of general contingency (either an amount or a percentage of the annual budget) and the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies linked to the development proposals in the School Development Plan. It is recognised that finite resources will lead to a need to place proposals into some kind of priority order and to accelerate/delay some spending plans as circumstances change.

3.3 Budget Timetable

The Headteacher (or their delegated representative) will prepare financial information for consideration by the Governing Body (Focus: Resources) and submit it to the Local Authority, where applicable, in line with the following timetable:

Date	Action / Response
Mid February	S251 budget resource allocation for the next financial year received from the Local Authority
Spring term	Prepare papers on issues to be <u>addressed</u> in preparation for the setting of the following year's budget
By March 31 st	Prepare and submit a Schools Financial Value Standard (SFVS) return, together with a copy of the relevant minute of the Governing Body at which it was approved
March / April	Prepare and present to the Governing Body the proposed start budget for the next financial year and the long term financial forecast
May	Prepare and present outturn statements to enable the Governing Body to consider the financial performance in the previous financial year
May	Prepare and submit a Consistent Financial Report return detailing the income and expenditure from the previous financial year (to be used for future benchmarking purposes) to the Local Authority
By June 1 st	Submit the approved start budget to the Local Authority
Autumn term	Prepare and present to the Governing Body the revised budget and updated long term financial forecast , reflecting any staffing changes or updated spending plans, or changes to pupil numbers
By December 31 st	Submit the approved revised budget to the Local Authority



The Governing Body (Focus: Resources) will not submit a deficit budget unless there are exceptional circumstances and advice and written agreement have been received from representatives of the Local Authority bearing in mind that deficits require the prior approval of the Corporate Director – Strategic Resources and the Corporate Director – Children and Young People’s Service.

Budget monitoring reports will be considered by the Governing Body (Focus: Resources) at least once a term with a brief report to the Full Governing Body. Reports will reflect both sums paid and sums committed but not yet paid and estimated expenditure and income for the remainder of the financial year against approved budget headings and will be reconciled to the Local Authority’s ORACLE statements and school bank statements.

3.4 Best Value

The School will seek to achieve efficiencies and value for money to optimise the use of its financial resources and to invest in teaching and learning. It is the responsibility of the Headteacher and Governing Body to determine at school level how to secure better value for money.

3.5 Schools Financial Value Standard (SFVS)

3.6 The Governing Body will have regard to the SFVS in order to evaluate the quality of their financial management and to aid in training staff to become better financial managers.

3.7 The Governing Body (Resources Committee), Executive Leadership Team and School financial staff will self-assess themselves against the Standard to satisfy themselves and external stakeholders that they are managing their finances well and to learn how they could improve their policies and practices. An assessment will be presented to the full governing body in the Autumn Term. The assessment will be passed to the LA for verification in the Spring Term.

3.8 Financial Self Evaluation

3.9 The Headteacher (or their representative) will prepare for consideration by the Governing Body (Focus: Resources) financial benchmarking comparisons on an annual basis each Autumn Term. The benchmarking data will be extracted for similar schools from either the local financial benchmarking database for North Yorkshire schools or the national DfE financial benchmarking database. The conclusions and recommendations resulting from this process will be used to inform the financial planning and resource allocation process.

3.10 Review of Contracts for Services

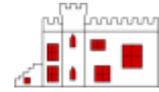
3.11 The Resources Committee will review the quality, cost and impact of services purchased from outside providers (including the LA) on an ongoing basis and before contracts are renewed. To assist in this process the Headteacher will prepare a schedule detailing the service contracts together with values and renewal dates in order that priorities for review can be determined. After each review the Resources Committee will make recommendations to the Governing Body.

3.12 Level of Revenue Balances

3.13 The Resources Committee will annually review the level of balances held by the school and make recommendations to the Governing Body. In making its recommendations the Resources Committee will indicate an optimum level of balances which has regard to the specific issues facing the school and acknowledges that resources are allocated to schools on an annual basis based on the number of pupils in school at that time.

3.14 Virement Procedures

3.15 Requests by the Headteacher for the virement of funds outside the scope of the Scheme of Delegation to the Headteacher (Appendix A) will be considered by the Resources Committee and be subject to their “minuted” approval.



3.16 Quality of Information

3.17 It is expected that the financial information received by Governors will be relevant timely, reliable and easily understood.

3.18 Extended Activities

3.19 The Governing Body will discuss, decide and minute their intention to use school budget funding to aid in the funding of extended school activities.

3.20 Capital Expenditure

3.21 The Resources Committee will give consideration to the use of the schools devolved capital allocations in the light of the priorities identified in the School Development Plan and then make recommendations to the Governing Body. The School will submit a Project Proposal Form in order to seek the Local Authority's consent for any proposed building work, irrespective of the funding source, as per the LMS Procedure Rules.

3.22 Documentation

3.23 All financial systems and procedures carried out will be in accordance with the Local Authority's LMS Procedure Rules, Scheme of Delegation to the Headteacher and the School Finance Manual. A copy of these documents will be readily available and kept up to date.

3.24 All records will be retained in line with the Local Authority's Records Retention and Destruction Schedule for Schools.

3.25 Purchasing

3.26 Before any purchase is made, consideration will be given to any potential economies of scale to be had through use of Local Authority negotiated corporate contracts.

3.27 Information available from the North Yorkshire Procurement Service for Schools will be given due consideration. Where a single purchase of more than £5,000 is involved, quotations will be sought from at least 3 suppliers and Governors consulted before a purchase is made. For purchases in excess of £100,000 tenders will be obtained as laid down in the LMS Contract Procedure Rules.

3.28 The Governing Body require school staff to follow official ordering procedures at all times and written pre-numbered orders will be used. Verbal orders will be followed up by a written confirmatory order. Individuals must not use official orders to obtain goods and services for their private use. All official orders will be recorded on the school's computerised financial system. Orders made on-line should also be followed by an official order.

3.29 The Governing Body will follow the Local Authority policy and procedures for the use of purchasing cards. Cards must only be used to procure goods and services on behalf of the school. They must not be used to obtain cash or for personal transactions.

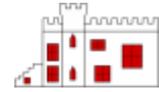
3.30 Procedures and Security

3.31 The school will make use of a computerised financial monitoring package approved and supported by the LA. Data will be input on a regular basis including financial commitments made by the school. Information will be input from and reconciled to the LA's financial statements and school bank statements every month. Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable. Security passwords will be maintained on the computer and documentation will be kept in a secure location. Regular backups will be made of the information held on the computer with the back up media stored securely and separately from the computer.

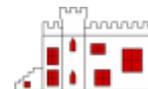
3.32 Security of Stocks and Equipment

3.33 An inventory of stocks and equipment held in the school will be maintained and checked on an annual basis in accordance with the LMS Procedure Rules and the Local Authority's guidance.

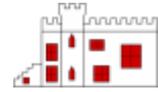
3.34 The Governing Body will ensure appropriate and adequate insurance arrangements are in place to protect the school's assets and a copy of the policy document will be available for inspection.



- 3.35 A register will also be maintained of equipment removed from school for use off-site and when it was returned.
- 3.36 The Governing Body will authorise all write-offs and disposal of surplus stocks and equipment in accordance with LMS Procedure Rules.
- 3.37** When it is considered appropriate, the Governing Body will request and act upon the advice of a Crime Prevention Officer.
- 3.38 Petty Cash**
- 3.39** The amount of cash in the school will be kept to a minimum and all monies and associated financial records kept in secure storage. Only staff authorised to do so will have access to petty cash. There will be a limited use of petty cash. Gifts for employees, including the purchase of flowers, will be met from staff donations and not petty cash.
- 3.40 Income**
- 3.41 The Governing Body will implement a charging policy. Steps will be taken to ensure the early collection of income due and receipts issued and records kept in line with LMS Financial Procedure Rules.
- 3.42 A copy of the School's Charging and Remissions Policy (AP-21) for school activities can be found on the school website.
- 3.43 The writing off of debts will be undertaken in line with the LMS Procedure Rules; that is: For debts up to £250 in value, the school will seek the approval of the Governing Body; and For debts over £250, the approval of the Local Authority must be sought (further to the endorsement of the Governing Body to do so).
- 3.44 VAT Returns**
- 3.45 VAT returns will be made promptly and accurately using the schools computerised system.
- 3.46 Staffing**
- 3.47 The Resources Committee will administer the school's Pay Policy annually and will consider appointments, terminations and promotions as necessary.
- 3.48 Insurance**
- 3.49 The Resources Committee will annually make recommendations to the Governing Body about the insurance requirements of the school. The recommendations will have regard to the minimum cover requirements of the LA and to the costs of insurances services offered by the LA and other providers.
- 3.50 Computer Systems**
- 3.51 The school will maintain approved software for the administration of financial records.
- 3.52** The school has been registered in accordance with the Data Protection Act 1998. All data handling procedures undertaken by the school are in accordance with the Local Authority's recommended practices for data security and information governance.
- 3.53 Counter Fraud Arrangements**
- 3.54 The school will maintain a robust system of controls to safeguard itself against fraudulent or improper use of public money and assets. The Governing Body will ensure that it has adopted a whistle-blowing policy and, along with the Headteacher, must inform all staff of all school policies and procedures related to fraud and theft, the controls in place to prevent them and the consequences of breaching these controls. This information must also be included in the induction of new school staff and Governors.
- 3.55 Audit**
- The systems for finance and administration will be subject to review from time to time by the Corporate Director of Financial Services Internal Audit Service and the County Council's external auditors. The Governors, Headteacher and staff will co-operate with auditors in



accordance with the requirements of LMS Procedure Rules and will consider and implement their requirements in a timely manner.



4 Appendix A – Scheme Of Delegation To The Headteacher

- 4.1 The Headteacher shall have delegated power to undertake all functions delegated to the Governing Body under the Education Reform Act 1988 pursuant to the LMS Scheme except that:
- i. he/she shall comply with all policy directions given to him/her from time to time by the Governing Body;
 - ii. he/she shall have the authority to expend all monies allocated to individual or specific items in the approved budget without further reference to the Governing Body;
 - iii. where no such specific item exists in the budget he/she shall not enter into any financial commitment in excess of £1,000, without the consent of the Governing Body or in the case of an urgent matter, the Chairman thereof;
 - iv. the above delegation shall not apply in respect of the appointment of staff. It shall be for the Governing Body to determine from time to time the extent of the power of the Headteacher to deal with staffing matters;
 - v. the Headteacher shall not vire from one budget heading to another any sum exceeding £1,000, without the consent of the Governing Body or, in the case of an urgent matter, the Chairman thereof;
 - vi. the Headteacher shall not transfer funds between “current” and “investment” accounts, established under BAFS, unless a policy to do so has been agreed by the Governing Body (the terms of such a policy should then be stated);
 - vii. the Headteacher shall submit to the Governing Body at least once each term, and on such further occasions as the Governing Body may specify, a report on all expenditure incurred and commitments entered into, together with details of any income generated, since the last such report to the Governing Body; this report to include a comparison of these latest figures with the school budget for the year;
 - viii. any proposal to incur expenditure on new or significantly different policies to be the subject of a report by the Headteacher to the Governing Body; the report to include details of cost in both the current and future years;
 - ix. the Headteacher shall have the power to nominate a member of staff to exercise the powers of this delegation during any periods of absence;
 - x. the Headteacher and any other person nominated under Regulation (ix) above shall ensure that at all times the Financial Regulations and Standing Orders relating to schools with delegated budgets be complied with.